

ORIGINAL



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AZ CORP COMMISSION
DOCUMENT CONTROL

57

POSITION SUMMARY

EAGLETAIL WATER CO.,LLC

(Contact person...Bill Lawrence...928-372-3117)

"RATE INCREASE HEARING...DOCKET NO: W-03936A-04-00840"

(MAY 12, 2005)

Arizona Corporation Commission

DOCKETED

MAY 12 2005

DOCKETED BY	
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SUNUP WATER CO.,LLC., BECAME EAGLETAIL WATER CO.,LLC.
IN THE YEAR 2000, AFTER A FORMER OWNER ABANDONED THE
COMPANY, LEAVING SOME 50 FAMILIES WITHOUT A RELIABLE
WATER SOURCE.

THE ORIGINAL CONCEPT FOR *THE NEWLY FORMED*
COMPANY, WAS TO ORGANIZE A MEMBERS-VOLUNTEER
GROUP.....& ONE (1) SALARIED MEMBER. A NEW MANAGE-
MENT TEAM CAME INTO OFFICE AND, PREMATURELY, VOTED IN
A SECOND PAID EMPLOYEE. NON-BUDGETED PAY INCREASES
FOLLOWED, PLUNGING THE COMPANY INTO SHORT-TERM DEBT,
FROM WHICH WE ARE STRUGGLING TO RECOVER.

THE FOREGOING TOOK PLACE IN 2003, THE
"COMMISSION'S TEST YEAR" USED FOR THE RATE INCREASE
APPLICATION. THIS PRODUCED AN INACCURATE ACCOUNTING
OF THE COMPANY'S FINANCIAL SITUATION.

As our financial situation improves, full time paid positions will be
implemented.

EARLY IN 2005, OUR PRESENT MANAGEMENT GROUP WAS ELECTED. ACCOMPLISHMENTS NOTED, AS OF THIS PRINTOUT:

- 1. SHORT-TERM DEBT HAS BEEN REDUCED.**
- 2. FIVE (5) SIGNIFICANT LEAKS HAVE BEEN REPAIRED.**
- 3. PROCEDURE MANUALS ARE BEING WRITTEN.**
- 4. LIABILITY INSURANCE HAS BEEN REINSTATED.**

ALL OF THIS...BY OUR VOLUNTEERS....USING THEIR:

- OWN TOOLS**
- OWN VEHICLES**
- OWN TIME**

THE COMPANY HAS:

- NO PAID EMPLOYEES**
- NO TOOLS**
- NO VEHICLES**
- NO OPERATING CAPITAL**

WE VOLUNTEER OUT OF NECESSITY. WE CANNOT, YET, AFFORD PAID EMPLOYEES.

**THE FIXED EXPENSES REMAIN
&**

CANNOT BE DENIED

(See Exhibit 1)

<u>MONTHLY</u>	<u>ACTUAL</u>
1. POWER.....	\$ 550.00
2. INSURANCE.....	120.00
3. CERTIFIED OPERATOR....	170.00
4. WATER TESTING.....	150.00
5. BOOKKEEPING.....	200.00
6. LONG TERM NOTE.....	600.00
7. TAXES.....	120.00
8. OFFICE SUPPLIES.....	20.00
9. CHEMICALS.....	40.00
10.REPAIRS/MAINTENANCE...	300.00
11.PHONE.....	<u>30.00</u>
<u>TOTAL EXPENSES \$2,300.00</u>	

INCOME

YEAR 2004

TWELVE (12) MONTH AVERAGE.....\$2,395.00 (54 customers).

YEAR 2005

FOUR (4) MONTH AVERAGE.....\$1,866.00 winter months,
(49 customers).

THE STAFF ADJUSTMENTS (see A thru H) IGNORE SOME BASIC REALITIES: (See Exhibits 2, 3 & 4)

1. **THE COMPANY WAS PURCHASED ON A LONG TERM NOTE & IT MUST BE PAID.** STAFF ALLOWS NOTHING FOR REPAYMENT. APPROVAL WAS APPLIED FOR THROUGH A.C.C..... **SALE & TRANSFER OF ASSETS TO EAGLETAIL WATER CO. WAS APPROVED.** This is verified by the Promissory Note and the attorney for the note holder.

2. **WATER TESTING & CERTIFIED OPERATOR ARE TRUE FIGURES.....STAFF HAS ADJUSTED THESE DOWNWARD.** WE ARE 75+ MILES FROM TOWN. **WE CANNOT SHOP FOR A "GOOD DEAL".**

OUR CERTIFIED OPERATOR IS AN INVALUABLE ASSOCIATE.....THIS IS NOT AN AREA TO "BARGAIN HUNT".

3. WE WILL NOT OPERATE WITHOUT LIABILITY

INSURANCE, YET STAFF HAS ALLOWED US NOTHING FOR PREMIUMS.

4. THE LEAK REPAIR PROPOSAL IS UNREALISTIC. WE

CANNOT FIND A FINANCIAL INSTITUTION THAT WILL HANDLE THIS SMALL AMOUNT WITHOUT IMPOSING A SERVICE CHARGE. THIS WOULD NEGATE ANY INTEREST & SLOWLY ERODE THE PRINCIPAL.

IT IS IN OUR BEST INTEREST TO REPAIR LEAKS IMMEDIATELY.....WITHOUT THE ADDED BURDEN OF GOING THROUGH A SPECIAL FINANCIAL ARRANGEMENT. THE AVERAGE LEAK REPAIR IS \$150-\$250 PER INCIDENT (PARTS ONLY). THE YEARLY ALLOWANCE FOR BACKHOE RENTAL WILL LAST FOR 1 TO 2 LEAKS.

5. THE THREE (3) TIER RATE STRUCTURE WILL NOT CONSERVE WATER. OUR HIGH VOLUME CUSTOMERS RAISE LIVESTOCK. WHEN OUR RATES BECOME TOO HIGH, THEY WILL DRILL WELLS. EVERYONE LOSES EXCEPT THE WELL DRILLER.

WE HAVE PRESENTED AN ACCURATE ACCOUNT OF OUR CURRENT SITUATION. WE ASK THAT THE COMMISSION REVIEW THIS PRESENTATION & MAKE ALLOWANCES FOR THE EXPENSES THAT WE HAVE LISTED.

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
January 2004

Jan '04				
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	4.7%	37.00
2" Minimum Usage Charge	4	204.00	8.6%	51.00
3/4" Minimum Usage Charge	39	858.00	36.1%	22.00
5/8" Minimum Usage Charge	8	168.00	7.1%	21.00
Usage	443,230	1,019.46	42.9%	0.00
Total Service		2,360.46	99.4%	
Other Charges				
Fin Chg	907.91	13.63	0.6%	0.02
Total Other Charges		13.63	0.6%	
TOTAL		2,374.09	100.0%	

EXHIBIT 1
16 PAGES

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
February 2004

	Feb '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	5.8%	37.00
2" Minimum Usage Charge	3	153.00	8.0%	51.00
3/4" Minimum Usage Charge	38	836.00	43.7%	22.00
5/8" Minimum Usage Charge	8	147.00	7.7%	18.38
Usage	325,260	660.14	34.5%	0.00
Total Service		1,907.14	99.7%	
Other Charges				
Fin Chg	381.32	5.72	0.3%	0.02
Total Other Charges		5.72	0.3%	
TOTAL		1,912.86	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
March 2004

	Mar '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	6.1%	37.00
2" Minimum Usage Charge	3	153.00	8.4%	51.00
3/4" Minimum Usage Charge	37	814.00	44.9%	22.00
5/8" Minimum Usage Charge	9	189.00	10.4%	21.00
Usage	233,490	537.03	29.6%	0.00
Total Service		1,804.03	99.4%	
Other Charges				
Fin Chg	684.65	10.26	0.6%	0.01
Total Other Charges		10.26	0.6%	
TOTAL		1,814.29	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
April 2004

	Apr '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	5.1%	37.00
2" Minimum Usage Charge	3	153.00	7.0%	51.00
3/4" Minimum Usage Charge	38	836.00	38.4%	22.00
5/8" Minimum Usage Charge	9	189.00	8.7%	21.00
Establishment	2	60.00	2.8%	30.00
Usage	356,740	820.50	37.6%	0.00
Total Service		2,169.50	99.5%	
Other Charges				
Fin Chg	673.1	10.09	0.5%	0.01
Total Other Charges		10.09	0.5%	
TOTAL		2,179.59	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
May 2004

	May '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	4.8%	37.00
2" Minimum Usage Charge	3	153.00	6.7%	51.00
3/4" Minimum Usage Charge	39	858.00	37.3%	22.00
5/8" Minimum Usage Charge	9	189.00	8.2%	21.00
Usage	424,630	976.67	42.5%	0.00
Total Service		2,287.67	99.5%	
Other Charges				
Fin Chg	796.56	11.95	0.5%	0.02
Total Other Charges		11.95	0.5%	
TOTAL		2,299.62	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
June 2004

	Jun '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	4.1%	37.00
2" Minimum Usage Charge	3	153.00	5.7%	51.00
3/4" Minimum Usage Charge	39	858.00	31.7%	22.00
5/8" Minimum Usage Charge	9	189.00	7.0%	21.00
Usage	602,370	1,385.35	51.2%	0.00
Total Service		2,696.35	99.6%	
Other Charges				
Fin Chg	650.98	9.77	0.4%	0.02
Total Other Charges		9.77	0.4%	
TOTAL		2,706.12	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
July 2004

	Jul '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	3	111.00	3.8%	37.00
2" Minimum Usage Charge	3	153.00	5.2%	51.00
3/4" Minimum Usage Charge	39	858.00	29.3%	22.00
5/8" Minimum Usage Charge	8	168.00	5.7%	21.00
Establishment	1	45.00	1.5%	45.00
Usage	686,300	1,578.51	53.8%	0.00
Total Service		2,913.51	99.4%	
Other Charges				
Anti Syphon	1	10.00	0.3%	10.00
Fin Chg	558.05	8.36	0.3%	0.01
Total Other Charges		18.36	0.6%	
TOTAL		<u>2,931.87</u>	<u>100.0%</u>	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
August 2004

	Aug '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	3	111.00	4.1%	37.00
2' Minimum Usage Charge	3	153.00	5.7%	51.00
3/4' Minimum Usage Charge	38	836.00	31.2%	22.00
5/8' Minimum Usage Charge	9	189.00	7.1%	21.00
Usage	617,830	1,380.88	51.5%	0.00
Total Service		2,669.88	99.6%	
Other Charges				
Fin Chg	661.83	9.94	0.4%	0.02
Total Other Charges		9.94	0.4%	
TOTAL		2,679.82	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
September 2004

Sep '04				
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	3	111.00	3.6%	37.00
2' Minimum Usage Charge	3	153.00	4.9%	51.00
3/4' Minimum Usage Charge	39	858.00	27.7%	22.00
5/8' Minimum Usage Charge	9	189.00	6.1%	21.00
Usage	832,920	1,766.81	57.1%	0.00
Total Service		3,077.81	99.5%	
Other Charges				
Fin Chg	1,081.48	16.22	0.5%	0.02
Total Other Charges		16.22	0.5%	
TOTAL		3,094.03	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
 October 2004

Oct '04				
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	3	111.00	4.5%	37.00
2' Minimum Usage Charge	3	153.00	6.2%	51.00
3/4' Minimum Usage Charge	39	858.00	34.7%	22.00
5/8' Minimum Usage Charge	9	189.00	7.6%	21.00
Usage	498,130	1,145.73	46.4%	0.00
Total Service		2,456.73	99.4%	
Other Charges				
Fin Chg	963.54	14.45	0.6%	0.02
Total Other Charges		14.45	0.6%	
TOTAL		<u>2,471.18</u>	<u>100.0%</u>	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
November 2004

	Nov '04			
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	2	74.00	3.2%	37.00
2' Minimum Usage Charge	3	153.00	6.7%	51.00
3/4' Minimum Usage Charge	30	858.00	37.6%	22.00
5/8' Minimum Usage Charge	9	189.00	8.3%	21.00
Usage	432,750	995.31	43.6%	0.00
Total Service		2,269.31	99.3%	
Other Charges				
Fin Chg	1,009.04	15.14	0.7%	0.02
Total Other Charges		15.14	0.7%	
TOTAL		2,284.45	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
 December 2004

Dec '04				
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	3	111.00	5.5%	37.00
2' Minimum Usage Charge	3	153.00	7.6%	51.00
3/4' Minimum Usage Charge	39	858.00	42.8%	22.00
5/8' Minimum Usage Charge	9	189.00	9.4%	21.00
Usage	298,010	685.44	34.2%	0.00
Total Service		1,996.44	99.5%	
Other Charges				
Fin Chg	680.34	10.20	0.5%	0.01
Total Other Charges		10.20	0.5%	
TOTAL		2,006.64	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
January 2005

	Jan '05			
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	3	111.00	6.3%	37.00
2' Minimum Usage Charge	3	153.00	8.6%	51.00
3/4' Minimum Usage Charge	39	858.00	48.3%	22.00
5/8' Minimum Usage Charge	9	189.00	10.6%	21.00
Usage	197,080	453.31	25.5%	0.00
Total Service		1,764.31	99.4%	
Other Charges				
Fin Chg	730.76	10.96	0.6%	0.02
Total Other Charges		10.96	0.6%	
TOTAL		1,775.27	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
February 2005

	Feb '05			
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	1	37.00	2.0%	37.00
1" Minimum Usage Charge	4	148.00	7.9%	37.00
2' Minimum Usage Charge	2	102.00	5.4%	51.00
2" Minimum Usage Charge	1	51.00	2.7%	51.00
3/4' Minimum Usage Charge	32	704.00	37.5%	22.00
3/4" Minimum Usage Charge	4	88.00	4.7%	22.00
5/8' Minimum Usage Charge	9	189.00	10.1%	21.00
Usage	241,778	556.12	29.7%	0.00
Total Service		1,875.12	100.0%	
TOTAL		1,875.12	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
March 2005

	Mar '05			
	Qty	Amount	% of Sales	Avg Price
Service				
1" Minimum Usage Charge	1	37.00	2.2%	37.00
2' Minimum Usage Charge	2	102.00	6.1%	51.00
3/4' Minimum Usage Charge	42	924.00	55.7%	22.00
3/4" Minimum Usage Charge	1	22.00	1.3%	22.00
5/8' Minimum Usage Charge	6	126.00	7.6%	21.00
Establishment	1	30.00	1.8%	30.00
Usage	177,330	407.86	24.6%	0.00
Total Service		1,648.86	99.4%	
Other Charges				
Anti Syphon	1	10.00	0.6%	10.00
Fin Chg	1	0.02	0.0%	0.02
Total Other Charges		10.02	0.6%	
TOTAL		1,658.88	100.0%	

05/05/05

Eagletail Water Company, L.C.
Sales by Item Summary
April 2005

	Apr '05			
	Qty	Amount	% of Sales	Avg Price
Service				
1' Minimum Usage Charge	2	74.00	3.4%	37.00
2' Minimum Usage Charge	1	51.00	2.4%	51.00
3/4' Minimum Usage Charge	46	1,012.00	46.7%	22.00
5/8' Minimum Usage Charge	9	189.00	8.7%	21.00
Usage	366,509	842.96	38.9%	0.00
Total Service		2,168.96	100.0%	
TOTAL		2,168.96	100.0%	

SECURED PROMISSORY NOTE

U.S. \$80,000.00

May 21, 2000
Phoenix, Arizona

FOR VALUE RECEIVED, the undersigned, EAGLETAIL WATER COMPANY, L.C., an Arizona limited liability company ("*Borrower*"), hereby unconditionally promise to pay to the order of RANDOLPH H. BROWNELL ("*Lender*"), in lawful money of the United States of America and in immediately available funds, the principal amount of Eighty Thousand and 00/100 Dollars (\$80,000.00), together with interest accrued on the unpaid principal (the "*Loan*") evidenced hereby in accordance with the terms and conditions herein contained and set forth.

1. **SECURITY.** This Secured Promissory Note ("*Note*") is secured by a Deed of Trust, dated of even date herewith, executed by Borrower in favor of Lender, as beneficiary (as the same may from time to time be amended, modified or supplemented or restated (the "*Deed of Trust*"), granting a security interest in certain real property located in Maricopa Count, Arizona, as more particularly described therein (the "*Property*"). Borrower hereby represents and warrants that, as of the date hereof, Eagletail Water Company, L.C., is or will be the sole and lawful fee owner of the Property.

2. **PRINCIPAL REPAYMENT.** The entire outstanding principal balance of the Loan shall be due and payable in full upon the earlier to occur of (a) that date which is ten (10) years from the date of this Note; (b) the sale of the Property; or (c) immediately upon the insolvency of Borrower, including, but not limited to, a bankruptcy or insolvency proceeding having been instituted by or against Borrower or a receiver being appointed for the property of Borrower, or if Borrower makes an assignment for the benefit of creditors (the "*Maturity Date*").

3. **INTEREST RATE.**

- (a) From the date hereof through the second anniversary of this Note, Borrower promises to pay interest on the outstanding principal amount of the Loan, if any, which interest shall be payable at a fixed rate of one percent (1.0%) per annum (the "*Interest Rate - Years 1&2*"). Interest payments shall be due and payable on the first day of each month and calculated on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months, for the actual number of days elapsed.
- (b) From the second anniversary of this Note through the fourth anniversary of this Note, Borrower promises to pay interest on the outstanding principal amount of the Loan, if any, which interest shall be payable at a fixed rate of two percent (2.0%) per annum (the "*Interest Rate - Years 3&4*"). Interest payments shall be due and payable on the first day of each month and calculated on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months, for the actual number of days elapsed.

EXHIBIT 2
2 PAGES

I. Douglas Dunipace, P.L.C.
3116 East Shea Boulevard, #251
Phoenix, Arizona 85028
(602) 370-6895
(602) 354-4335

I. Douglas Dunipace
dunipaceplc@cox.net

January 10, 2005

Jan Kovach
Eagletail Water Company, L.C.
P.O. Box 157
Tonopah, AZ 85354

Re: Secured Promissory Note

Dear Jan:

I am following up on my September 8, 2004 letter to you regarding the Eagletail Water Company, L.L.C. (the "Company") promissory note (the "Note") currently held by my client, the Wendy Paine O'Brien Foundation (the "Foundation"). That letter set forth the terms of a proposed modification to the Note that would defer interest payments accruing through the end of 2004 to assist the Company with its current cash flow. A copy of that letter is enclosed for your ready reference.

In that letter, I expressed my understanding that the Company would need to obtain approval from the Arizona Corporation Commission, and possibly from the membership of the Company, in order to accept the modification proposal. To date, neither I nor the Foundation has received any written indication that the Company intends to accept the proposal and take the steps necessary to approve the modification of the Note. We are not aware of any application to the ACC nor any action by the members of the Company. The only suggestion that the modification will be accepted is the Company's failure to make interest payments during the last several months of 2004.

With the start of the new year, and assuming the Company intends to seek approval of the proposed Note modification, the obligation to make monthly interest payments resumes. The first such payment was due January 1, 2005 in the amount of \$205.17. If not paid by January 15, the payment will be delinquent and, at the option of the Foundation, the interest rate may be increased from 3% to 8%. This action, if taken, would increase the monthly interest to \$547.12. I presume the Company would prefer to avoid that substantial increase in expense.

The purpose of this letter is two-fold: first, to remind you of the obligation to make the monthly interest payments to the Foundation in a timely manner, and, second, to

Water Treatment Operators, Inc.
14615 N. Fountain Hills Blvd.
Fountain Hills, AZ 85268
480 837-6438

Statement

Date

12/31/2004

To:

Eagletail Water Company
Ms. Jan Kovach
P.O. Box 157
Tonopah, AZ 85354

170.00+
365.00+
490.00+
360.00+
170.00+
425.00+
300.00+
300.00+
730.00+
170.00+
170.00+
235.00+

3,885.00

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Date	Transaction
12/31/2003	Balance forward
01/31/2004	INV #4678. Due 03/01/2004.
02/03/2004	PMT #1433. Inv #4395
02/18/2004	PMT #1438. Inv #'s 4536 & 4678
02/29/2004	INV #4820. Due 03/30/2004.
03/31/2004	INV #4961. Due 04/30/2004.
04/21/2004	PMT #1449. Inv. 4820
04/30/2004	INV #5108. Due 05/30/2004.
05/31/2004	INV #5257. Due 06/30/2004.
06/24/2004	PMT #1463. Inv. 4961
06/30/2004	INV #5409. Due 07/30/2004.
07/21/2004	PMT #1474. Inv. 5108
07/31/2004	INV #5560. Due 08/30/2004.
08/18/2004	PMT #1482. Inv. 5257
08/31/2004	INV #5714. Due 09/30/2004.
09/23/2004	PMT #1493. Inv. 5409
09/30/2004	INV #5865. Due 10/30/2004.
10/01/2004	PMT #1497. Inv. 5560
10/25/2004	PMT #1505. Inv. 5714
10/31/2004	INV #6021. Due 11/30/2004.
11/30/2004	INV #6172. Due 12/30/2004.
12/31/2004	INV #6334. Due 01/30/2005.

PLEASE NOTE: Your sample results are attached to this invoice. Please make sure you keep the sample results in a separate water system file for regulatory compliance.

Amount Due	Amount Enc.
305.00	
Amount	Balance
	425.00
170.00	595.00
-255.00	340.00
-340.00	0.00
365.00	365.00
490.00	855.00
-365.00	490.00
360.00	850.00
170.00	1,020.00
-490.00	530.00
425.00	955.00
-360.00	595.00
300.00	895.00
-170.00	725.00
300.00	1,025.00
-425.00	600.00
730.00	1,330.00
-300.00	1,030.00
-300.00	730.00
170.00	900.00
170.00	1,070.00
235.00	1,305.00

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
235.00	170.00	170.00	730.00	0.00	51,305.00

ATTENTION CONSUMER CUSTOMERS: SEE IMPORTANT PRIVACY POLICY ON REVERSE SIDE.



335 CROSSWAYS PARK DRIVE
WOODBURY, NY 11797
(516) 364-0200

NOTICE OF ACCEPTANCE

STANDARD
FUNDING

ACCOUNT NUMBER

464717

MAIL PAYMENT TO: P.O. BOX 9011, SYOSSET, NY 11791-9011

INSURED

EAGLE TAIL WATER CO. LLC.
C/O SUSAN HAAS
PO BOX 157
TONDOPAH

AZ 85354

AGENT OR BROKER

SPECIALTY RISK INSURANCE BROK
SUITE 300
6901 E. FIRST ST
SCOTTSDALE, AZ 85251

TOTAL PREMIUMS	DOWN PAYMENT	AMOUNT FINANCED	FINANCE CHARGE	TOTAL OF PAYMENTS
1,612.77	611.88	1,000.89	60.27	1,061.25

ACCEPTANCE DATE	MATURITY DATE
3/18/05	12/17/05

PAYMENT SCHEDULE

OF Y	1 ST PAYMENT IS DUE MO.	DAY	YR.	AMOUNT OF EACH INSTALLMENT	INSTALLMENTS PAYABLE
9	4	17	05	117.92	MONTHLY

THE PREMIUM FINANCE AGREEMENT SUBMITTED BY YOUR INSURANCE AGENT MAY CONTAIN INCORRECT AND/OR INCOMPLETE INFORMATION WITH RESPECT TO THE ITEMS LISTED BELOW IN THE SCHEDULE OF POLICIES.

IF ANY ERROR(S) AND OR OMISSION(S) EXIST PLEASE NOTE CORRECTION(S) ABOVE AND RETURN TO STANDARD FUNDING CORP.

SCHEDULE OF INSURANCE POLICIES

POLICY NUMBER	INSURANCE COMPANY	EFF. DATE	TERM	COVERAGE	PREMIUM
APP192324104	SCOTTSDALE INDEMNITY CO.	3/17/05	12	GL	1,287.00
BINDER	SCOTTSDALE INDEMNITY CO.	3/17/05	12	TAX	47.52
BINDER	SCOTTSDALE INDEMNITY CO.	3/17/05	12	FEE	175.00

TO THE INSURED

We are pleased to notify you that we have accepted your premium finance agreement subject to verification by the insurance companies. We have credited the down payment to your account. We will mail to you a coupon book or a "Notice of Payment Due" prior to the date of each installment. PROTECT YOUR INSURANCE COVERAGE BY MAILING PAYMENTS TO STANDARD FUNDING CORP. ON OR BEFORE THE DUE DATE. The security for this financing is the unearned premiums on the policies financed. The finance charge begins to accrue as of the earliest policy effective date.